

Babcock & Wilcox

a McDermott company

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JAN 27 1992

IPP

Power Generation Group

20 S. Van Buren Avenue
P.O. Box 351
Barberton, OH 44203-0351
(216) 753-4511

January 21, 1992

Intermountain Power Project
Department of Water & Power
City of Los Angeles
P.O. Box 111, Room 658
Los Angeles, CA 90051

Attn: Mr. J.W. Scofield

Re: Intermountain Power Project
B&W Ref: RB-614/615
Subject: Ceramic Burner Diffusers

Gentlemen:

As a follow-up to our 1/16/92 meeting in Paris, Texas, B&W is pleased to quote an option for supplying ceramic coal diffusers for the forty-eight (48) modified Dual Register Burners currently being fabricated for IPP, Unit #1. To minimize the possibility of damage, the ceramic diffusers would be shipped direct from their fabricator to the jobsite for installation by IPP/IPSC. The burners being fabricated in our Paris Works would be shipped in the following condition:

- Coal Deflector (Elverite I material) will be shipped loose to facilitate field installation of the ceramic diffusers.
- Diffuser clips (U-shaped): On each burner, the two U-clips that hold the furnace side of the diffuser will be shop installed. The third U-clip will be shipped loose for field installation (see installation sketch, attached).

Firm price for providing forty-eight (48) ceramic coal diffusers FOB jobsite is \$77,620. Terms of payment would be 10% invoiced at order placement and 90% invoiced at completion of diffuser shipment. Invoice terms would be "net 30".

Warranty terms are attached.

Regarding schedule, we need IPP's decision on this quote by Friday, January 24 to assure shipment of all diffusers by 4/3/92.

J. P. MUSTO	<input checked="" type="checkbox"/>
C. E. FINEGAN	<input checked="" type="checkbox"/>
D. E. LEONARDI	<input type="checkbox"/>
K. E. BOUTH	<input type="checkbox"/>
D. C. MURDOCK	<input type="checkbox"/>
S. M. MATHIS	<input type="checkbox"/>
D. A. PATTEE	<input type="checkbox"/>
S. N. LOVELL	<input type="checkbox"/>
M. ROYLANCE	<input type="checkbox"/>
P. OMLOR	<input type="checkbox"/>
C. WHITING	<input type="checkbox"/>
D. WALKER	<input type="checkbox"/>
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Mr. J.W. Scofield
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Please advise any questions or comments, as well as your decision regarding this quote.

Very truly yours,

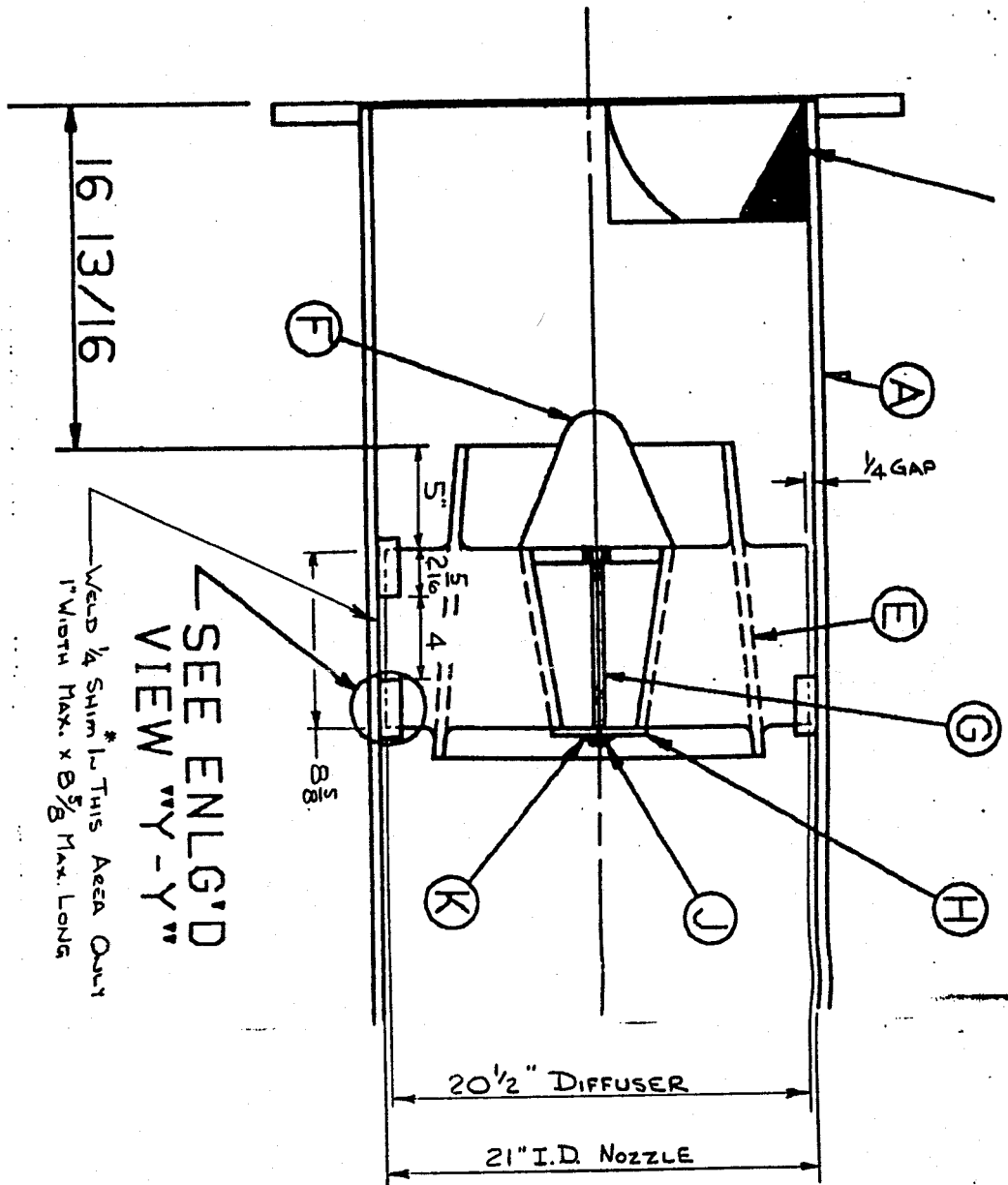


C.A. Palmberg
Project Manager

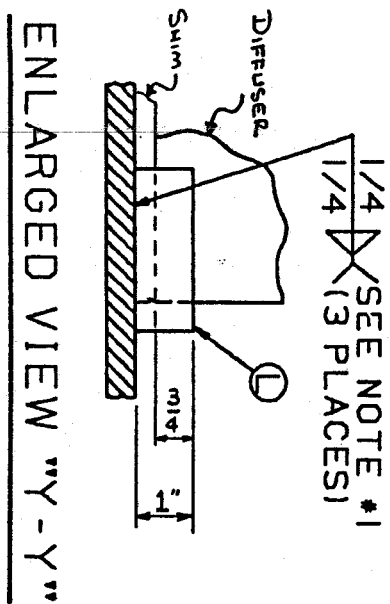
CAP0079:nk

cc: R.K. Krikorian - IPP, LA w/att.
J.P. Musto - IPP, Delta "
D.C. Langley - B&W, Denver "
R. Hellebuyck - B&W, Denver "

IP7_000214



*-Shim to be provided by installing contractor.



21" Conical Diffuser w/ Shorten Legs
In A Round 21" I.D. Nozzle
SK-2

C. A. PALMBERG
JAN 21 1992

Warranty For Ceramic Diffusers

The Seller shall at its option either repair or replace F.O.B. jobsite or credit the Buyer (with the price paid to Seller by Buyer for such non-conforming part) or any part of the product or products which, prior to the expiration of ninety (90) days from date of shipment, fail to conform with the dimensions and/or materials specified in the Order, provided the Buyer properly stores the equipment and promptly notifies Seller of such non-conformity.

The Seller further warrants that the title is free of defects.

The sole liability of the Seller and the exclusive remedy of the Buyer arising out of the manufacture, sale, furnishing or erection of the product or products hereunder or their use, whether arising under warranty, tort (including negligence), strict liability, or otherwise, shall be limited to the cost of repair or replacement as herein specified. The Seller shall not be responsible for work done, products or parts furnished, or repairs made by others unless the work is specifically ordered by the Seller for the fulfillment of the Contract.

Seller will provide instructions as to disposition or non-conforming products.

THE SELLER AND BUYER AGREE THAT IN CONSIDERATION OF THE ABOVE EXPRESS WARRANTY, ALL OTHER WARRANTIES EITHER EXPRESS OR IMPLIED, WHETHER ARISING UNDER LAW OR EQUITY OR TRADE CUSTOM, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED FROM THIS CONTRACT

CAP 1/21/92.

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